CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 685

Department of Health & Human Services (DHHS)

Center for Medicare & Medicaid Services (CMS)

Date: SEPTEMBER 23, 2005

Change Request 4044

SUBJECT: Discontinuation of the Skilled Nursing Facility (SNF) HCPCS Help File and Notification to Fiscal Intermediaries (FIs) and Providers of the Redesigned SNF Consolidated Billing (CB) Annual Update File Posted on CMS Web Site

I. SUMMARY OF CHANGES: Due to the increasing amount of discrepancies identified in the SNF HCPCS Help File and the availability of more current and accurate updates to SNF CB, the SNF Help File will be discontinued. In addition, CMS has redesigned the SNF Annual Update for FIs to be included on a new web page for FI SNF CB located on the CMS web site.

NEW/REVISED MATERIAL

EFFECTIVE DATE: December 27, 2005

IMPLEMENTATION DATE: December 27, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – *Only One Per Row.*

R/N/D	Chapter / Section / SubSection / Title
R	6/20/Services Included in Part A PPS Payment Not Billable Separately by the SNF
R	6/20.1/Services Beyond the Scope of the Part A SNF Benefit
R	7/10/Billing for Medical and Other Health Services
R	7/10.5/General Payment Rules and Application of Part B Deductible and Coinsurance

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

Pub. 100-04	Transmittal: 685	Date: September 23, 2005	Change Request: 4044

SUBJECT: Discontinuation of the Skilled Nursing Facility (SNF) HCPCS Help File and Notification to Fiscal Intermediaries (FIs) and Providers of the Redesigned SNF Consolidated Billing (CB) Annual Update File Posted on CMS Web Site

I. GENERAL INFORMATION

A. Background: Due to the availability of more current and accurate information on SNF CB for services billed to FIs, the CMS has decided to discontinue the SNF Help File. The SNF Help File is not current and should no longer be used as a guide on whether services are included or excluded from SNF CB. In order to determine whether a service is excluded from SNF CB, FIs and providers should access the latest FI SNF CB Annual Update.

With the removal of the SNF Help File, the CMS has redesigned the SNF annual update file from Word format into excel and PDF formats. This redesign allows providers to easily search specific HCPCS code to determine if the code is excluded from SNF CB. The current 2005 annual update has been redesigned and may be found under the "2005 Annual and Quarterly Updates" section at: http://www.cms.hhs.gov/providers/snfpps/snffi/

This information may be used by FIs and providers to determine, by HCPCS code, whether services rendered to beneficiaries in Part A covered SNF stays are included or excluded from SNF CB.

The file contains 3 columns: HCPCS Code, Short Descriptor and Major Category. In addition, a separate file containing the explanation of the Major Categories is included. It is **important and necessary** for providers and FIs to view this file in order to understand the Major Categories including additional exclusions that are not driven by HCPCS codes. In addition, FIs and providers should access the above link to view this file as well as previous updates to SNF CB. HCPCS added or removed by subsequent quarterly update transmittals will be listed under the respective year's annual update tab at the above link. The respective year's annual update file will be updated to either add or remove the HCPCS listed in the quarterly updates.

B. Policy: Section 1888 of the Social Security Act codifies SNF PPS and CB.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
4044.1	Medicare contractors shall notify providers of the new SNF CB web site for FI billing located at: http://www.cms.hhs.gov/providers/snfpps/snffi/	X								

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
4044.2	Medicare contractors shall educate providers on the new redesigned annual update file located at: http://www.cms.hhs.gov/providers/snfpps/snffi/	X								
4044.3	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X								

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: **December 27, 2005** **Implementation Date: December 27, 2005** **Pre-Implementation Contact(s):** Jason Kerr (410) 786-2123 or Jason.Kerr@cms.hhs.gov or Yvonne Young (410) 786-1886 or Yvonne.Young@cms.hhs.gov **Post-Implementation Contact(s):** Appropriate Regional Office	**No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.**

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20 - Services Included in Part A PPS Payment Not Billable Separately by the SNF

(Rev.685, Issued: 09-23-05, Effective: 12-27-05, Implementation: 12-27-05)

For cost reporting periods beginning on and after July 1, 1998, SNF services paid under Part A include posthospital SNF services for which benefits are provided under Part A, and all items and services which, prior to July 1, 1998, had been paid under Part B but furnished to SNF residents during a Part A covered stay regardless of source, except for the exclusions *listed in the annual SNF consolidated billing update files*. *Annual update files, as well as subsequent quarterly updates to the annual update, for SNF consolidated billing can be found at http://www.cms.hhs.gov/providers/snfpps/snffi/. This file lists services by HCPCS code, short descriptors, and the major category under which the HCPCS falls. HCPCS added or removed by subsequent quarterly update transmittals will be listed under the respective year's annual update section at the above link. The respective year's annual update file will be updated to add or remove the HCPCS listed in the quarterly updates.*

A general explanation of the five major categories can also be found at the above link.

***Note:** It is important for contractors/providers to understand the major categories for SNF CB. Some major categories exclude services by revenue code (see section 20.1.2.2 for emergency room exclusion) as well as bill types (see section 20.2.1.2 on coding for renal dialysis facilities and 20.2.2 for hospice facilities).*

Services paid under Part A cannot be billed under Part B. Any service paid under Part A that is billed separately will not be paid separately, or payment will be recovered if already paid at the time of the SNF billing. The following subsections list the types of services that can be billed under Part B for SNF residents for whom Part A payment is made.

20.1 – Services Beyond the Scope of the Part A SNF Benefit

(Rev.685, Issued: 09-23-05, Effective: 12-27-05, Implementation: 12-27-05)

The following services are beyond the scope of the SNF Part A benefit and are excluded from payment under Part A SNF PPS and from the requirement for consolidated billing. These services must be paid to the practitioner or provider that renders them and are billed separately by the rendering provider/supplier/practitioner to the carrier or FI. The SNF may not bill excluded services separately under Part B for its inpatients entitled to Part A benefits. HCPCS procedure codes representing these excepted services *for FIs are updated as frequently as quarterly on the CMS web site at: http://www.cms.hhs.gov/providers/snfpps/snffi/ and are updated to the respective year's annual update file.* Physicians, non-physician practitioners, and suppliers billing the carrier should consult the CMS Web site at www.cms.hhs.gov/medlearn/snfcode.asp for lists of separately billable services.

10 - Billing for Medical and Other Health Services

(Rev.685, Issued: 09-23-05, Effective: 12-27-05, Implementation: 12-27-05)

See Business Requirements at
http://www.medicaid.com/manuals/pm_trans/R20CP.pdf

There are three situations in which a SNF may submit a claim for Part B services. These are identified in subsections A through C below.

No bill is required when:

- The patient is not enrolled under Part B;
- Payment was made or will be made by the Public Health Service, VA, or other governmental entity;
- Workers' compensation has paid or will pay the bill; or
- Payment was made by liability, no-fault insurance, group health plan, or a large group health plan.

A - Beneficiaries in a Part B Inpatient Stay (Part B Residents)

A Part B inpatient stay includes services furnished to inpatients whose benefit days are exhausted, or who are not entitled to have payment made for services under Part A. A more detailed description of services covered for beneficiaries in a Part B stay is founds at §10.1 – Billing for Inpatient Services Paid Under Part B.

B - Outpatient Services

Covered Part B services rendered to beneficiaries who are not inpatients of a SNF are considered SNF outpatient services. They include the services listed in §10.1 below as well as additional services described in the Medicare Benefit Policy Manual, Chapter 8, "Coverage of Extended Care (SNF) Services Under Hospital Insurance," §§80 and Medicare Benefit Policy Manual, Chapter 6, "Hospital Services Covered Under Part B." Detailed instructions for billing are located in §10.2 – Billing for Outpatient SNF Services.

C - Beneficiaries in a Part A Covered Stay

SNFs are required to consolidate billing to their intermediary for their covered Medicare inpatient services. However, certain services rendered to SNF inpatients are excluded from the SNF Prospective Payment System (PPS) reimbursement and are also excluded from consolidated billing by the SNF. Those services must be billed to Part B by the rendering provider and not by the SNF (except screening and preventive services as described in the next paragraph.) A list of services excluded from consolidated billing is found in the Medicare Claims Processing Manual, Chapter 6, "SNF Inpatient Part A Billing," §§20 – 20.4.

Screening and preventive services are not included in the SNF PPS amount but may be paid separately under Part B for Part A patients who also have Part B coverage. Screening and preventive services are covered only under Part B. Only the SNF may bill

for screening and preventive services under Part B for its covered Part A inpatients. Bill type 22X is used for beneficiaries in a covered Part A stay and for beneficiaries that are Part B residents. TOB 23x is used for SNF outpatients or for beneficiaries not in the SNF or DPU. The SNF must provide the service or obtain it under arrangements.

Coverage, billing and payment guidelines are found in the Medicare Claims Processing Manual, Chapter 18, "Preventive and Screening Services;" Chapter 17, "Drugs and Biologicals;" and the Medicare Benefit Policy Manual, Chapter 15, "Covered Medical and Other Health Services," §50.4.4.2.

There are certain medical and other health services for which payment may not be made to a SNF. Most of these are professional services performed by physicians and other practitioners. These services are always billed to the Medicare Part B Carrier. Others are services that have been determined to require a hospital setting to assure beneficiary safety. FI shared systems receive an annual file listing these non-payable HCPCS in November, and, if necessary, a quarterly update via a one time only notification.

Physicians, non-physician practitioners, and suppliers billing the carrier should consult the CMS Web site at http://www.cms.hhs.gov/medlearn/snfcode.asp for lists of separately billable services.

10.5 - General Payment Rules and Application of Part B Deductible and Coinsurance

(Rev.685, Issued: 09-23-05, Effective: 12-27-05, Implementation: 12-27-05)

Section 1888(e)(9) of the Social Security Act (the Act) requires that the payment amount for Part B SNF services shall be the amount prescribed in the otherwise applicable fee schedule. Thus, where a fee schedule exists for the type of service, the fee amount will be paid. Where a fee does not exist on the Medicare Physician Fee Schedule (MPFS) the particular service is priced based on cost. This is also true for all "carrier-priced" codes on the MPFS, but not for services paid on the Clinical Diagnostic Laboratory Fee Schedule. All lab services missing fees are to be gap-filled. Some specific services continue to be paid on a cost basis and are specifically stated in the sections below where cost applies.

Where payment is made under a fee schedule, the beneficiary's deductible and coinsurance are based on the approved amount. Where payment is made on a cost basis, deductible and coinsurance are based on charges for the service.